

# SCHIP Funding Reauthorization Project

## Background

The State Children's Health Insurance Program (SCHIP) was created as part of the Balanced Budget Act of 1997. At that time, Congress allocated \$39.6 billion over ten years to the program. California operates the largest SCHIP program in the country and is slated to receive over \$790 million in federal funding for FFY 2007, primarily used to support California's Healthy Families Program (HFP). In all, HFP provides health insurance to more than 760,000 children in the state.

However, federal funding for SCHIP is set to expire in 2007, unless Congress reauthorizes it. To ensure that California stakeholders have the information needed to secure sufficient funding for the Healthy Families program, the California HealthCare Foundation has contracted with Harbage Consulting, to produce analyses on reauthorization issues from the California perspective.

## Project Components

The project includes the following four components:

### 1) In-depth analyses of the critical issues surrounding SCHIP reauthorization, including:

- **Estimate of California's SCHIP Funding Need.** A detailed projection of the state's SCHIP budget over the next ten years. The projection will take into account many variables, including cost increases, program spending and expansion, and population growth. It will also estimate the cost of expanding eligibility for children to 300% of poverty and covering parents of Medi-Cal and Healthy Families, as is called for in numerous health care reform proposals in California. *To be released by February 2007.*
- **Improvements to the SCHIP Bill.** An examination of possible improvements to SCHIP reauthorization language relevant to California related to non-funding issues, including language that gives California more flexibility in how it spends its allotment. The examination will focus on changes necessary to federal law for SCHIP to be more efficient in the state. *To be released by March 2007.*
- **Analysis of Allocation Components.** The allocation formula initially used in making state allotments for the first ten years of SCHIP was based on estimates of uninsured and low income children. Now that the states have fully developed SCHIP programs, it is critical to assess the appropriate allocation components for the future. The analysis will assess factors that could be used in the distribution formula and identify the impact of the factors on funding for California. *To be released April 15, 2007.*

**2) Host convenings** bringing together a broad-based group of California stakeholders to discuss specific issues related to key elements of SCHIP reauthorization. Discussions from these meetings will serve as the basis for a shared knowledge of SCHIP reauthorization issues. *Convenings scheduled to take in March and May 2007.*

**3) Develop a model** to estimate funding allocations and quantify various proposals as they are discussed during the reauthorization debate. *To be released April 15, 2007.*

**4) Provide educational support** to California's Congressional delegation and other advocates in Washington, D.C. during two visits to the Capital. The first visit, scheduled to occur early February, will be used to gather information and gain a better understanding of California's role in the national SCHIP debate. The second visit, slated to occur June 10, 2007, will be used to brief Congressional staff.